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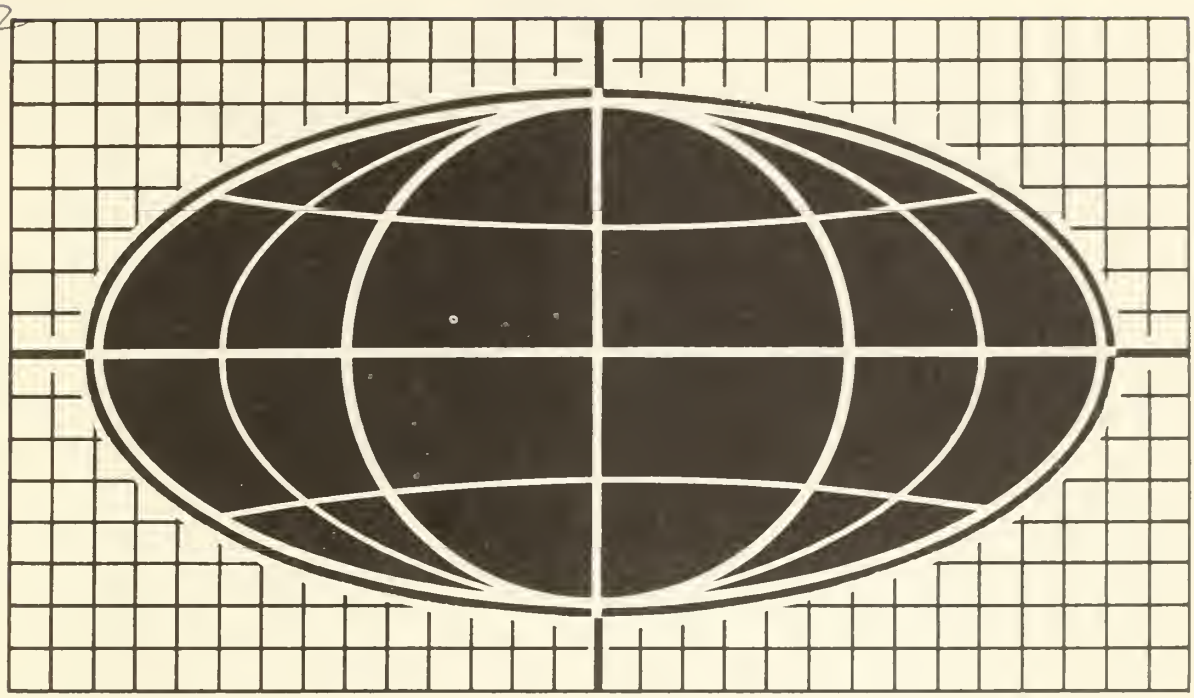

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THE WESTERN HEMISPHERE AGRICULTURAL SITUATION

Review of 1967 and Outlook for 1968

U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE

Washington, D.C.

FOREWORD

This annual review of the Western Hemisphere Agricultural Situation supplements The World Agricultural Situation: Review of 1967 and Outlook for 1968, FAER No. 38, dated February 20, 1968. Other regional reports are being published for Africa and West Asia; the Far East, Mainland China, and Oceania; and Europe and the Soviet Union.

The report omits the Agricultural Situation of the United States which is covered in other outlook and situation reports of the Economic Research Service. Western Hemisphere as used in the report, unless specified, refers to Canada and 24 Latin American countries.

Howard L. Hall, Assistant Branch Chief and Leader, of the Situation and Outlook Section, directed and coordinated preparation of this report. Others participating included Gae A. Bennett, Wilbur F. Buck, Mary S. Coyner, Richard M. Kennedy, Richard S. Magleby, John D. McAlpine, Rena E. Perley, Samuel O. Ruff, and Alyce Woodard.

U. S. Agricultural Attaches for Western Hemisphere countries provided background for this publication through annual situation and commodity reports.

Howard L. Hall

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Acting Chief
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Washington, D. C. April 1968

WESTERN HEMISPHERE AGRICULTURAL SITUATION

SUMMARY

Strong demand and improved growing conditions were reflected in a 1967 record for Latin American food production; total food production increased more than 6 percent and per capita food output was about 3 percent above the previous year. Recovery in Latin American agriculture offset a sharp drop in Canadian farm output, and total 1967 production of Hemisphere countries was only slightly below the 1965 record. Agricultural exports were below levels of the previous year and larger imports increased pressure upon foreign exchange reserves in many countries.

Due to adverse weather conditions, including a severe midsummer drought, Canada's 1967 crop production dropped 18 percent below the record 1966 level. Growing conditions in Latin America were extremely favorable for pastures and harvested crops early in 1967; but drought and other adverse weather reduced yields of later crops, particularly in Mexico, the northern Caribbean, Central America, Argentina, and Uruguay. However, larger crops in other parts of the Caribbean, Argentina, Brazil, Chile, Ecuador, and Guyana led to a 4 percent rise in the index of Latin American agricultural production (1957-59 = 100). The record Latin American food output reflected a substantial recovery in Brazilian production to a near-record level and a continued strong rise in Argentina and Venezuela.

Expansion in Canadian industry weakened in the face of higher costs, and the rate of increase in GNP declined from 6 percent in 1966 to 2.5 percent in 1967. Growth of manufacturing and other industries resulted in a nearly 7 percent rise in the Mexican economy, although the rate was down slightly from 1966. A 1967 increase for the Caribbean reflected a recovery in sugar output and growth in earnings from the minerals, petroleum, and tourist industries. Growing agricultural and trade problems reduced growth rates in the Central American countries, except Panama. Significant economic recoveries in Argentina, Brazil, and Venezuela more than offset declines in Chile, Colombia, Peru, and Uruguay. The overall GNP rise for Latin America, was estimated to have been near 4.4 percent in 1967. This was up from a year earlier, but was slightly below the 1960-65 average.

With continued strong internal demand for goods and services, problems of inflation plagued many countries. The cost-of-living rise was significant for Canada; it was also high for Chile, Peru, and Uruguay at estimated annual rates of 22, 20, and 136 percent, respectively. Monetary and budget restrictions and, in some instances, currency devaluations contributed to stabilization and some reduction in inflation in Argentina, Brazil, Colombia, and Ecuador.

World prices for coffee continued to weaken in 1967. Prices of other important export commodities including bananas, cotton, sugar, and wool partially recovered late in the year. Lower prices for wheat and corn reflected larger world supplies. Meat prices declined in the face of increased restrictions into the United Kingdom and other world markets. Tin prices continued to weaken in 1967 and the price of copper dropped sharply below the record 1966 levels early in the year with some later recovery, due to the U. S. strike. While the United Nations index of export prices increased about 1 percent through mid-1967, the index for Latin America was estimated to have been down about 3 percent.

Hemisphere export earnings rose about 1 percent in 1967, compared with a more than 5 percent rise in 1966. A 10 percent gain for Canada resulted from larger sales of forestry, mineral, and industrial products. The Suez crisis increased demand for petroleum products from Venezuela and Caribbean producers. Exports from Central America were near the 1966 level but declined in Mexico and South America.

Imports of Hemisphere countries continued to rise at a rate near 5 percent with larger increases for Canada, Mexico, the Caribbean, Brazil, Chile, and Venezuela. Gold and foreign exchange reserves increased slightly for Canada but rose significantly for Latin America, especially Argentina where they tripled. Reserves for Mexico, the Caribbean, and Central America were lower.

The area for 1967 wheat increased 4 percent to 20.6 million hectares for the Hemisphere in response to favorable prices and planting conditions. 1/ Due to drought in the spring wheat area, Canadian production dropped sharply to 16 million tons, about 28 percent below the previous year's record. However, a larger area and ideal growing conditions resulted in a record Mexican crop of 2.2 million tons. Argentine production recovered 12 percent to 7 million tons despite drought near harvest. A 3 percent rise in Chilean production offset lower production in Uruguay and other South American countries.

Favorable prices and growing conditions resulted in a significant 1967 rise for other important Hemisphere grain crops. The rice area increased 7 percent. Hemisphere production rose 11 percent to 10 million tons, reflecting improved growing conditions and recovery for Panama, Brazil, Guyana, and a continuing rise in Mexico, Peru, and other South American countries. Corn production resumed a strong uptrend; the 1967 area increased 7 percent to 24.9 million hectares and production was up 10 percent to 35.1 million tons. Record crops were harvested in Canada, Mexico, and Brazil; the Argentine harvest was a near-record. These gains were partly offset by adverse weather, which reduced corn harvests in the Caribbean and Central America. The production of grain sorghums and other feedgrains declined in Canada and Argentina.

Larger harvests of pulses, tubers, and fruits contributed to improved food supplies in most Latin American countries. Dry beans increased 20 percent, reflecting a sharp recovery for production in Brazil and other South American countries. The 1967 Canadian potato crop was reduced sharply by drought. Improved growing conditions in Argentina and the Andean countries of Colombia, Ecuador, and Peru increased Latin American potato production nearly 6 percent despite a sharp drop in Uruguay. Winter fruit and vegetable production continued to rise in Mexico. Improved growing conditions resulted in a sharp recovery for deciduous fruit crops in Argentina and Chile.

1/ Hectares used throughout the report are equivalent to 2.471 acres. Metric tons of 2,204.6 pounds are also used unless otherwise specified.

Hemisphere cotton output continued to decline in 1967 with a 7 percent reduction in area, due partly to dry weather at planting time in Mexico and some Central American countries. A shift to alternative crops also reduced production in Argentina, Brazil, and Peru. Latin American output for 1967 was estimated at 1.4 million tons, about 13 percent below the previous year.

Oilseed production declined in 1967 reflecting the general reduction in cottonseed and a sharp drop in area and production of flaxseed in Canada, Argentina, and Uruguay. The 1967 peanut crops in the Dominican Republic, Argentina, and Brazil were reduced by adverse weather. Tung nut production dropped to about one-half of the 1966 level. However, a larger area more than offset drought effects for Canadian rapeseed. The Argentine sunflowerseed crop increased 43 percent to a record exceeding 1 million tons. Soybean production maintained a strong rise in Mexico, Brazil, and Colombia. Despite a drop in Canada, Hemisphere soybean output of 1.1 million tons in 1967 exceeded the 1966 record by 11 percent.

Improved growing conditions contributed to a sharp recovery for Caribbean sugar production, particularly in Cuba. Output in Argentina and Brazil was reduced by quota restrictions; but a continued rise in Mexico, Central America, Colombia, and Venezuela resulted in an 8 percent gain in the Hemisphere total. The earlier expansion in Latin American banana production slowed in 1967, and estimated production of 13.3 million tons was near the 1966 record. Coffee production increased about 9 percent but remained well below the average for recent years. Mexico and Central America continued to increase output. Brazilian production recovered, but the Colombian harvest was down about 7 percent.

Strong demand maintained a rise in cattle slaughter in 1967, particularly in Mexico and Argentina. Hemisphere production of beef and veal increased about 2 percent to 7 million tons, despite a sharp drop in Uruguayan output. Record hog numbers contributed to an 18 percent rise in Canadian pork production. A significant rise in 1967 milk production for Mexico and Brazil more than offset a drop in Canada and Argentina. Lower prices and adverse weather reduced wool output in Argentina and Uruguay.

The value of 1967 agricultural exports of Western Hemisphere countries, excluding Cuba, was estimated below the $7.5 billion for 1966. The value of 1967 imports continued to rise with value up significantly from the $2.2 billion for a year earlier. U. S. agricultural imports from the region declined from $2.1 billion in 1966 to $2 billion in 1967. For the same period, U. S. agricultural exports fell from $1.2 to about $1.1 billion.

Hemisphere wheat exports declined 27 percent in 1967 to 15 million tons, reflecting the increase in competitive world supplies and a sharp reduction in Argentine production. Imports continued near the 1966 level of 6 million tons; moderate increases in imports for the Caribbean (excluding Cuba), Central America, Bolivia, Peru, and Venezuela were offset by reductions for Chile and Colombia. Rice exports were restricted by reduced supplies, particularly in Brazil. In contrast, corn exports increased 14 percent with a sharp rise in shipments from Mexico and Argentina. Canadian corn imports increased, but Latin American purchases were down about 7 percent.

Brazil increased cotton exports in 1967; but reduced supplies in Mexico, Central America, and Peru resulted in a 20 percent drop in the total Hemisphere shipments. A sharp recovery in the Cuban sugar trade was supplemented by larger exports from other Latin American countries. Central American coffee exports were below a year earlier with a com-

pensating rise in shipments from Colombia and some other South American countries. Banana exports were up slightly, reflecting gains for Central America, Colombia, and Ecuador.

Argentine meat exports continued to rise in 1967 despite the U. K. ban imposed on beef imports from countries with hoof-and-mouth disease late in the year. Paraguay increased shipments, but Uruguayan exports were off, due to reduced slaughter stemming from extensive weather damage to the livestock industry. Mexico continued to restrict meat and cattle exports in order to maintain adequate domestic supplies. Wool exports were down nearly 8 percent from the high 1966 level.

The 1968 outlook for Hemisphere agricultural trade is clouded by several important international developments and larger world supplies which may affect demand for important commodities. The devaluations of the U. K. pound sterling and currencies in other countries that have special trade arrangements would appear to restrict shipments of grains and livestock products to the important U. K. market. Recent reports indicate some easing of the U. K. hoof-and-mouth disease ban on imports of beef from South America where the disease is endemic. This ban has provided a temporary advantage to Australia and other suppliers who are free of the disease.

Hemisphere grain exports are expected to increase in 1968. Canadian wheat exports should continue near last year's level, with a rise in Mexican and Argentine exports likely. Argentina has increased the area for 1968 corn and sorghums grains by 8 and 15 percent, respectively; although recent drought reduced prospective corn yields, Argentine feedgrain exports may be near record levels. Brazil continued to expand corn plantings in 1968, and a 30 percent increase in Brazilian rice plantings indicates record grain exports. Large Mexican corn supplies may offset lower availability of Canadian feedgrains.

The 1968 carryover stocks of cotton in Hemisphere countries are low for the second consecutive year. However, improved world prices have encouraged larger 1968 cotton plantings which may contribute to recovery in exports from the low 1967 levels, particularly in Central America. Although Hemisphere flaxseed exports will be down sharply, Canada is expected to increase its rapeseed exports, particularly to Japan; and a record carryover of Argentine sunflowerseed may be reflected in larger 1968 vegetable oil shipments.

Smaller harvests may reduce 1968 sugar shipments from Cuba, but exports from other Hemisphere suppliers may be near the high 1967 levels. Increased quotas under the International Coffee Agreement indicate larger coffee exports. Despite near-record cattle numbers in Argentina, Hemisphere meat exports may decline in 1968. U. S. exports of grains, fats and oils, livestock and other agricultural products are expected to be near the 1967 value of $1.1 billion despite increased competition from other suppliers.

NORTH AMERICA

Canada

A drop in agricultural output and a slowing of industry contributed to a loss in momentum in the Canadian economy in 1967, following a 6-year uptrend. GNP growth was estimated at only 2.5 percent in 1967 compared with 5.9 percent for 1966 and an average exceeding 5 percent for 1961-65. Inflation and a slowing in investment indicate a period of readjustment ahead, with growth below the level of recent years.

A high rate of Government and consumer spending was maintained in 1967, with some weakening in construction and durable goods

manufacturing late in the year. Investment demand slackened in face of higher wages and interest rates. The January-October industrial production index rose 1 percent, compared with 5.5 percent increase for all of 1966. The cost-of-living index increased an estimated 4.3 percent in 1967, up from 3.6 percent a year earlier.

Although grain exports declined, total Canadian exports in 1967 rose an estimated 10 percent from the 1966 record of $9.6 billion. Imports increased about 5 percent, indicating a small trade surplus. The World Fair (Expo 67) contributed a surplus in travel earnings, which partially offset a deficit in capital and other net outflows. Year-end gold and foreign exchange reserves were near the $2.7 billion held at the end of 1966.

The value of farm sales declined, but Wheat Board participation payments permitted a 2.5 percent increase in 1967 farm income, compared with 5 percent annually for the 2 preceding years. Wheat producer subsidies were authorized for the first time to maintain farm returns for the 1967 crop at price levels proposed by the International Grains Agreement. Rising farm costs and inventory reductions were reflected in lower net farm income, which dropped about 20 percent below the 1966 record of $1.85 billion. A recovery in total farm income is anticipated for 1968; and, despite some increase in farm costs, net farm income may be near the 1967 level.

Increased farm capital inputs in recent years have been encouraged by high farm wages and favorable prices for agricultural products. Estimated 1967 expenditures for machinery and equipment were $695 million, nearly double those for 1961. Total fertilizer use, in nutrient equivalent, approximated 19 kilograms per hectare of crop and fallow land compared with 9.5 kilograms in 1961. The effect of these and similar trends for other chemicals appear to be reflected in the higher level of farm output in recent years.

Strong demand maintained favorable prices for principal agricultural products early in 1967, although export prices weakened later in the year, particularly for grains. A severe drought reduced crop yields in most of the important grain and livestock areas of the Prairie Provinces, interrupting a 3-year rise in agricultural output. The index of farm production was estimated at 126, about 12 percent below the 1966 record (1957-59 = 100). Livestock output resumed a rising trend, and the production index increased about 2 percent to a record 122.

Near-record 1967 plantings of wheat, barley, rye, and corn more than offset reductions in oats and mixed grains, as total grain area increased about 2 percent. Some lessening of drought effects on Prairie crops was attributed to high moisture reserves, improved varieties and production practices, and near-ideal harvest conditions. Wheat production of 16 million tons was of excellent quality and above the 1960-64 average, although it was about 28 percent below the record 1966 crop. Barley production dropped 18 percent and oats and rye were down 20 percent. Corn plantings were up about 9 percent, and production was an estimated 12 percent above the 1966 record.

The flaxseed area declined about 42 percent in 1967, and production was less than one-half the reduced 1966 level. However, a 13 percent increase in rapeseed plantings offset lower yields, and production exceeded the 1966 record by 3 percent. A 3 percent reduction in hay output was offset by an increase in corn fodder. However, available feed supplies for 1967 declined about 8 percent from the 1966 record; and the year-end carryover was estimated to be the smallest since 1961. Although tobacco plantings increased, production declined 1 percent from the record 1966 level.

The potato crop was one-fourth lower. A record apple crop was harvested.

Canadian cattle marketings were estimated down about 3 percent, reflecting a slight drop in domestic--particularly cow--slaughter and a continued sharp decline in exports. Hog slaughter resumed an uptrend, with the total up nearly 20 percent. Cattle slaughter weights were higher, and total output of red meat increased about 7 percent to an estimated 1.4 million tons. The average size of dairy herds continued to increase during the year and numbers of dairy cows stabilized in response to higher dairy support levels. Milk production continued near the 1966 level. Poultry and egg output maintained a rising trend.

Canadian farm exports for 1967 are estimated at more than 15 percent below the high 1966 level of $1.6 billion. Wheat shipments were down 17 percent--due in part to a drop in sales to Communist countries. Exports of other grains declined in the face of reduced supply and a strong domestic feed demand. Shipments of rapeseed increased, but flaxseed continued a sharp downtrend. In contrast, Canadian imports in 1967 were estimated to exceed the $1 billion for the previous year. Imports of sugar, vegetables, tropical products, and corn increased while those of cotton, tobacco, and deciduous fruits declined. U. S. agricultural imports from Canada declined 16 percent in 1967, and exports were down 12 percent, due largely to smaller sales of cotton and fruit.

Little recovery is anticipated for Canadian farm exports in 1968, but imports may continue some expansion. In view of record supplies, larger rapeseed exports are expected, particularly to Japan. However, wheat sales are not expected to increase due to larger world supplies. Reduced domestic supplies will probably limit expansion in feedgrains and oilseeds. A continuing strong consumer demand and lower feed supplies may contribute to larger U. S. agricultural exports to Canada, particularly of feedgrains, meat, and vegetable products.

Mexico

Expanded industrial output contributed to a high rate of growth by the Mexican economy in 1967, more than offsetting a slowing in agricultural output and trade. Real GNP growth was estimated at near 7 percent, compared with 7.5 percent in 1966. This favorable trend is expected to be maintained in 1968, despite a continued rise in industrial production costs and increased credit restrictions.

In 1967, growth of investment and domestic demand stimulated manufacturing, construction, petroleum, fisheries, and related service industries. Exports were estimated about 4 percent below the 1966 record of $1.2 billion. Imports rose 11 percent above the 1966 value of $1.6 billion to an all-time high, and the resulting trade deficit of about $603 million was 60 percent greater than a year earlier. However, tourist receipts and foreign investment continued to rise; and gold and foreign exchange reserves increased from $564 to $586 million during 1967.

Mexico continues to encourage expanded investment under its 5-year development plan, initiated in 1966. Government investment for 1968 is projected at 11 percent above 1967, and private outlays are expected to increase by about 16 percent. Agricultural policy goals outlined by the Government in September 1967 emphasized accelerated agrarian reform, expanded irrigation facilities, and improved farming practices. Private banks were asked to extend additional credit to small farmers, and the 97 percent rebate of the cotton export tax (1.6 cents per pound) was extended through the 1968 crop year, ending July 1968.

Drought reduced plantings and early growth of 1967 crops in the eastern region.

Subsequently, crops in this area were damaged by heavy rains, winds, and flooding from hurricane Beulah, which also provided improved moisture in other regions. The 1967 index of agricultural production reflected a continuing decline in cotton, output, although it increased 2.8 percent to 148 (1957-59 = 100). The food production index increased about 3 percent with no gain in per capita output.

Despite a lower Government support price established in 1966, the area in wheat recovered in 1967 as producers shifted back from alternative crops planted the year before. Favorable prices encouraged larger plantings of irrigated rice, and some drought-affected eastern cotton lands were replanted to corn and grain sorghum. The 1967 wheat crop was an all-time high of 2.2 million tons. Record crops of corn and rice were harvested. Grain sorghums suffered from drought and flooding, and the 1967 crop was 12 percent below the 1966 record.

Dry weather reduced the 1967 potato crop. The record production of pulses may result in Government action to encourage a reduction in dry bean output by limiting plantings to types in greatest demand. Large increases were estimated for tomatoes and strawberries, and the production of most other fruits and vegetables was higher in 1967. The interest of strawberry processors in diversification indicates further increases in the production of vegetable crops for freezing.

The sugarcane crop was reduced by drought, but this was more than offset by increased sucrose content of the cane so that 1967 sugar output was up 15 percent. Despite some storm damage, coffee production increased 9 percent. The cotton area continued to decline, and the 1967 crop dropped 9 percent to an estimated 446,000 tons of fiber and 893,000 tons of seed. Reduced area also accounted for a 45 percent drop in safflowerseed. Although production of other oilseeds increased, total 1967 oilseed output declined 12 percent. Vegetable oil production was estimated about 4 percent below 1966.

A slowdown in the livestock industry continued as an important problem in Mexico during 1967. Due in part to a significant decline in cattle exports, output of livestock products was estimated near the 1966 level. Beef production was about 3 percent above 1966, with a slightly larger gain for pork. Milk production continued a rising trend and was estimated up 3.4 percent from 1966. Cattle numbers maintained a slight uptrend, since lower cattle exports more than offset some gain in slaughter.

Despite some strengthening in world prices, the value of January-September 1967 cotton exports were below a year earlier, due to reduced supplies. For the same period, coffee exports were down about one-fourth, due in part to lower world prices. In contrast, 1967 exports of corn and sugar increased sharply, and wheat shipments were much larger. U. S. agricultural imports from Mexico were near the 1966 level of $327 million but exports to Mexico declined 5 percent to $70 million.

A recovery in production is expected to increase 1968 cotton exports. With larger available supplies of wheat, corn, coffee, and sugar, total agricultural exports may exceed 1967. Mexico will continue near a self-sufficient level for most agricultural commodities in 1968. However, a lag in production may encourage a rise in U. S. exports of vegetable oils, and some livestock products.

CARIBBEAN

Economic gains for the Caribbean subregion in 1967 largely reflected an expansion in output of minerals and petroleum, growth

of the tourist industry, and some recovery in agricultural production. 2/ The combined GNP was up an estimated 2.9 percent for a slight per capita gain in 1967 (GNP for the 6 countries of the region), in contrast to a small drop in 1966. This uptrend may continue in 1968 despite a reduction in sugar output.

Increased sugar output contributed to some recovery in Cuba and helped to maintain economic growth in the Dominican Republic. Economic conditions in Haiti continued to worsen, due to a lag in agricultural output. Expanded output of minerals and petroleum products and continued industrialization were reflected in higher growth rates for Jamaica and Trinidad and Tobago. The Netherlands Antilles also benefitted from increased world demand for petroleum products, as a consequence of the Suez crisis. The tourist industry continued to expand throughout the region, contributing to a higher level of economic activity in Barbados, Jamaica, Trinidad and Tobago, and many of the smaller islands.

The region's 1967 exports were estimated above those for the previous year, with significant gains registered for the Dominican Republic, Jamaica, and Trinidad and Tobago. Imports also expanded in 1967, despite some increase in restrictions and declines in gold and foreign exchange reserves. The November devaluation of the U. K. pound sterling led to corresponding devaluations of currencies in all Caribbean Commonwealth countries, dependencies, and "Associated States", except for the British Virgin Islands and the Bahamas. The initial effect of devaluations appeared to be a rise in prices, particularly in areas heavily dependent upon imports. Other 1967 developments affecting trade included measures to develop a customs union and economic community among former members of the British West Indies Federation.

Growing conditions were generally favorable for sugarcane and other crops harvested early in 1967, but some areas of the Caribbean region experienced extremes of drought and heavy rains for the second consecutive year. A prolonged midyear drought in the northern Caribbean--Cuba, the Dominican Republic, Haiti, and Jamaica--was followed by severe hurricane activity and heavy rains. Higher Cuban agricultural output, based on recovery in sugar, more than offset reductions in the Dominican Republic and Jamaica. The 1967 index of farm production for 5 of the region's 6 countries (excluding Barbados, for which a production index is not available) was estimated at 93 compared with 85 for 1966 (1957-59 = 100). Leaving out sugar, however, the index of both agricultural and food production were off by about 2 percent.

Caribbean production of rice for the 5 countries was maintained at the 1966 level. However, the 1967 harvest of other basic food crops--corn, tubers, peanuts, and fruits and vegetables--were reduced by dry weather. The output of those food crops was off sharply in Cuba, the Dominican Republic, and Jamaica; but the production of food crops and livestock products was up in Trinidad and Tobago as a result of favorable Government price supports and growing conditions. Livestock production continued to lag in other countries, and 1967

2/ The Caribbean, as used here includes the following countries: Barbados, Cuba, the Dominican Republic, Haiti, Jamaica, and Trinidad and Tobago. Also included are the British dependencies of Bermuda, the Bahamas, The Virgin Islands, St. Vincent, and the "Associated States" of the Leeward and Windward Island Groups; the French Departments off Martinique and Guadeloupe; and the Netherlands Antilles, However, quantitative estimates for the subregion of GNP, gold and foreign exchange reserves, farm and commodity output, and trade apply only to the six countries, unless otherwise specified.

output for the 5 countries of the region was up by only 1 percent.

The 1967 sugarcane harvest in the 5 countries was 28 percent above the 1966 crop, due to favorable growing conditions and to intensive Cuban efforts to meet high production targets. Centrifugal sugar production increased about 20 percent to 7.6 million tons, due principally to the recoveries in Cuba and the Dominican Republic. Growing conditions were also favorable for cocoa beans harvested early in the year, and 1967 production was up about 5 percent. Coffee production for the 5 countries was estimated 13 percent above 1966 despite some adverse effects of heavy winds from hurricane Buelah, which also damaged the banana crop in the northern Caribbean area.

The Caribbean sugar trade recovered in 1967. Cuban exports were estimated to have been about 15 percent above 1967. Increased production and larger quotas in the U. S. market boosted Dominican Republic shipments by 8 percent but exports from the rest of the Caribbean declined, due to a drop in shipments from Trinidad and Tobago. Coffee shipments declined about 6 percent; exports of bananas and cocoa beans were below those of a year earlier. Cuba imported less wheat, but imports of grains and other food products by other Caribbean countries were higher. U. S. agricultural imports from all of the Caribbean rose about 1 percent to $166 million, and exports increased 12 percent to $120 million.

Current estimates indicate that, due to the 1967 drought, production and export availabilities of sugar in 1968 may be significantly lower in Cuba, the Dominican Republic, and Jamaica. Due to the continuing lag in food output and the current growth in per capita income levels, the outlook is for some expansion in exports of grains and other U. S. agricultural products to the region in 1968.

CENTRAL AMERICA

Growing problems in agriculture and foreign trade and some slowing of investment continued to weaken development trends in the 6 Central American countries during 1967. The GNP growth rate for the region was about 5 percent, compared with 6 percent in 1966 and 7.3 percent in 1965. The 1966 downtrend continued in Guatemala, Honduras, and Nicaragua. The 1967 economic growth rates for Costa Rica and El Salvador were also below 1966. In contrast, Panama's GNP continued upward and grew an estimated 9 percent.

The region's export earnings increased moderately in 1967. Declines for Guatemala and Honduras were more than offset by increases for the other countries. A continuing growth in trade among the Common Market countries (CACM) offset a slowdown in exports outside the region. Imports for 1967 were estimated at more than 10 percent above the 1966 level. The region's gold and foreign exchange reserves dropped about 8 percent, reflecting declines in El Salvador, Honduras, and Nicaragua. A tightening of credit and exchange controls is expected in those countries.

A slow start of the summer rainy season adversely affected 1967 crop production in some Pacific coastal areas of El Salvador, Honduras, and Nicaragua. However, agricultural conditions were mixed for most other areas. All countries registered gains in total agricultural output, but food production was lower in El Salvador and Guatemala. The 1967 index of agricultural production for the 6 countries increased 5 percent to 148, but food output was up less than 2 percent to 137 (1957-59 = 100). Significant gains were registered for crops and livestock output increased 4 percent.

The region's 1967 corn production was slightly below the record 1966 level. Lower prices contributed to a decline in planted area and production dropped 6 percent in Guatemala;

dry weather reduced yields in El Salvador and Nicaragua. Costa Rican efforts to become self-sufficient in corn resulted in a 15 percent increase; near-record corn crops were harvested in Honduras and British Honduras.

The area in rice continued to rise during 1967 in response to favorable prices and total production rose about 8 percent. Rice yields in Honduras and Nicaragua were reduced by dry weather; production recovered in Panama and continued to increase in other countries. Harvests of sorghum grains were larger, particularly in Honduras and El Salvador. Bean production increased 14 percent in 1967, reflecting significant gains in the planted area for Guatemala and Honduras.

Larger quotas in the U. S. market stimulated the regions' 1967 centrifugal sugar production, which increased by 18 percent. Due to lower returns and dry weather for planting in some areas, cotton production continued near the reduced 1966 level. The expansion in the banana area is continuing, but 1967 production was down slightly due to a 6 percent reduction in the Honduran harvest. Growing conditions were favorable in the important coffee areas; and despite announced policies to restrict production, the 1967 harvest was about 9 percent above the 1965 record.

Output of livestock products reflected reduced pasture conditions in some areas. A significant rise in cattle slaughter in Costa Rica and Guatemala was reflected in a 7 percent increase in beef and veal production. Cattle exports were about 19 percent below 1966. Pork production maintained a slight uptrend. Guatemalan milk production was adversely affected by some liquidation of cow herds. However, milk output of the region--particularly in Costa Rica and Nicaragua--continued to expand, and 1967 production was estimated 3.7 percent above 1966.

Central American agricultural trade reflected a leveling-off in production of important commodities. Lower supplies from the short 1966 crop reduced coffee exports about 9 percent; and cotton shipments declined to the lowest level in recent years. Sugar exports increased 12 percent and bananas 4 percent compared with a rise of about one-third for both commodities in 1966. Wheat imports increased 5 percent in 1967. Corn imports were unchanged and imports of rice declined. U. S. agricultural imports from Central America were up slightly in 1967, and exports to the region were near the 1966 level of $61 million.

In 1968, an increase is expected in Central American exports of sugar, bananas, and coffee. Cotton exports should exceed their 1967 level. Exports of other agricultural products--including corn, beans, and livestock products--may also increase. The decline in per capita food production will probably encourage larger imports of U. S. farm products this year.

SOUTH AMERICA

Argentina

The Argentine economy strengthened in 1967 and showed signs of recovery from the 1966 recession. The GNP was estimated up nearly 2 percent compared with a 1.7 percent decline the previous year. Agriculture, construction, and power supported the recovery trend, but the large manufacturing sector continued at depressed levels. A favorable outlook for agriculture and increased investment are expected to accelerate growth of the economy in 1968.

The Government continued its program to control inflation through budget restrictions, increased tax collections, wage restraints, and active policing of price ceilings. The peso was depreciated 40 percent to the equivalent

of 350 to the U. S. dollar in March 1967. The devaluation initially accelerated the rate of inflation. However, the rise in the cost-of-living index was limited to 27 percent during 1967, compared with 30 percent in 1966.

Argentina continued to maintain a favorable trade position due, in part, to the currency devaluations of 1966 and 1967. Despite some weakening of world prices for principal commodities, 1967 export earnings were maintained near the record 1966 level of $1.6 billion. Higher import costs resulting from the March devaluation were only partially offset by sharply reduced import taxes, and imports were slightly higher than the low $1.1 billion in 1966. The trade surplus was also supplemented by an inflow of capital. Despite heavy debt repayments, gold and foreign exchange reserves increased from $216 million to $727 million during 1967.

In response to favorable prices and to better than average moisture conditions early in the year and despite some cold weather and later drought, the recovery trend in agriculture gained momentum in 1967. The index of agricultural production rose 5 percent to a record 118 (1957-59 = 100). Crop production increased 8 percent while livestock output rose 3 percent.

The rise in producer prices, resulting from the peso devaluation, stimulated increased plantings of the principal grain crops. The seeded areas for grains in 1967 increased 4 percent to about 17 million hectares, with principal gains (percent) in wheat (5), corn (6), grain sorghums (8), and rice (21). The large corn crop of 8 million tons is attributed to the growing use of improved varieties and good moisture conditions. Cold, wet weather reduced the harvested area for grain sorghums, and production was 35 percent below the 1966 record. Later drought resulted in above-normal conversion of other feedgrain crops to grazing. It also restricted wheat yields, although the 1967 harvest was estimated at 7 million tons--about 12 percent above the drought-affected 1966 crop.

Potato production recovered and--despite some frost damage--output was about one-fifth higher than in 1966. Growing conditions were also favorable for deciduous fruit; and the 1967 harvests of apples, pears, peaches, and plums were records. Citrus production declined sharply due to cold weather and frost. A lower Government quota and cold weather also sharply reduced the sugarcane harvest. Sugar production dropped to the lowest level in 5 years, about one-fifth below 1966.

Seeded area and production declined for all oilseeds except sunflower, which reached a record 1.1 million tons, due to a 15 percent increase in area and good yields. Farm price expectations contributed to a significant shift in area from flaxseed and cotton to wheat and other crops. Dry weather reduced peanut yields, and production was estimated down 14 percent. The tung nut harvest was down about 40 percent from the record 1966 level.

Despite some drop-off in export slaughter late in the year, beef production increased about 7 percent in 1967. Producers responded to tax incentives to hold stock for breeding and heavier weights and cattle numbers were a record level at the end of the year. Pork production dropped 4 percent and output of lamb and mutton was estimated down 9 percent due principally to lower slaughter weights. Wool output was below the 1966 record and poor pasture conditions accounted for a 10 percent decline in milk production.

Agricultural exports were estimated down slightly in value during 1967, due partly to lower world prices for principal commodities. Lower supplies reduced wheat export to 2.1 million tons, down about 60 percent from 1966. Heavy earlier committments necessitated a prohibition of exports and led to

limited imports of wheat late in the year. Grain sorghum exports declined sharply; but corn shipments were estimated at the highest level since 1937. Exports of linseed and tung oil, livestock, and animal fats were well above 1966; but shipments of oilseed by-products, wool, and hides and skins were down. Meat exports reflected a large increase in cooked and canned meat and--despite a weakening of demand and restricted entry for chilled and frozen meat into the U. K. market late in the year--were estimated to have been above the record 745,000 tons shipped in 1966. U. S. agricultural imports from Argentina, principally canned meat and wool, declined about 8 percent to $101 million in 1967.

Argentine wheat exports are expected to recover in 1968, with availabilities estimated at nearly 2.8 million tons. The estimated 1968 corn area increased by 8 percent, but recent drought conditions indicate that production may be 2 million tons below the large 1967 harvest. Some recovery is anticipated for grain sorghums, and 1968 plantings are forecast to be about 24 percent above 1967. Linseed oil exports will likely decline, but carryovers of sunflowerseed and tung nuts may increase export availabilities of other vegetable oils. Despite record cattle numbers, 1968 meat exports may not reach the high 1967 level. The Government is expected to continue to grant only limited reductions in export taxes; moderate reductions were recently extended to corn, peanuts, wool, and hides and skins, to improve the competitive position and to stimulate exports of farm products.

Brazil

An improved agricultural situation and success in implementing economic stabilization and development policies encouraged a recovery in the Brazilian economy during 1967. GNP growth was near 5 percent, compared with 4 percent in 1966. Increased business confidence was reflected in expanded activity in the construction, machinery, chemicals, and food industries. Some weakening in the foreign trade balance was partly offset by the outlook for continued expansion in agricultural output. Economic growth for 1968 may equal or exceed the 1967 rate.

The new Administration, inaugurated in March 1967, continued the strong anti-inflationary policy of the previous administration with some increase in credit and other incentives to stimulate private industry. Budget and fiscal controls, cooperation between Government and industry to restrain prices, and larger food supplies held the increase in the cost-of-living rise to 25 percent for 1967, compared with 41 percent in 1966.

The liberalized tariff system was maintained and accompanied by a 15 percent rise in imports. However, weakening of world prices contributed to a 5 percent drop in 1967 exports. Gold and foreign exchange reserves declined 50 percent in 1967. The weakened foreign exchange position led the Bank of Brazil to devaluate the cruzeiro from 2.70 to 3.20 per U. S. dollar effective January 4, 1968.

Agriculture recovered from adverse conditions which reduced 1966 production. Food output, in particular, was stimulated by the 1966 removal of price ceilings, the selective expansion in availability of credit, and more effective operation of the minimum price support program. The area for principal crops expanded about 5 percent in 1967, with another 8 percent rise anticipated for 1968. Spotty dry weather early in 1967 reduced yields of some crops, but general growing conditions were better than in 1966. The agricultural production index, estimated at 129, was about 7 percent above 1966, but 8 percent below the record 140 for 1965 (1957-59 = 100). Principal gains were in food crops and livestock products, and the food production index increased 7 per-

cent to 146, only slightly below the 1965 record.

Near-record plantings of corn, rice, and beans were stimulated by favorable prices, with some increase estimated for wheat. Favorable growing conditions resulted in a corn harvest of 12 million tons, up about 20 percent from 1966. Production of rice and dry beans also increased to near-record levels, despite the adverse effects of hot weather in some producing areas. Increased price supports contributed to an 8 percent rise in wheat production.

Some shift to alternative crops continued in the southern cotton areas. Early drought and rains near harvest time reduced yields, and the 1967 harvest dropped nearly one-fourth to an estimated 438,000 tons of fiber and 876,000 tons of cottonseed. Hot, dry weather reduced peanut production about 40 percent below the 1966 record. In contrast, the soybean area and yields continued to increase and the 1967 harvest was 17 percent above the 1966 record. However, the estimated output of the 3 oilseed crops was down about 11 percent.

Sugarcane production was near the previous year's record, but the estimated sugar outturn declined by nearly 3 percent. Early frost in Parana and unusually dry weather in main producing areas reduced 1967 coffee yields, although the 1.4 million crop was about a tenth above the small 1966 harvest. Despite excessive rainfall, cocoa bean production was estimated near the 1966 record.

Higher domestic prices, which followed removal of price controls, restricted rising domestic market demand for meat and reduced cattle slaughter for export. Total beef production declined slightly to about 1.4 million tons. Favorable prices and large feed supplies maintained hog slaughter and pork production near the high 1966 level of 673,000 tons. Milk production continued an uptrend, and 1967 output was estimated about 8 percent above a year earlier.

Agricultural trade in 1967 reflected a small drop in exports of coffee, but exports of soluble coffee rose sharply. Cotton and sugar exports were up. Cocoa bean exports declined slightly. Smaller supplies early in the year and increased consumption reduced Brazilian shipments of corn and rice, but soybean exports continued to rise. Wheat imports were estimated about 1 percent above 1966. Imports of deciduous fruit increased slightly. U.S. agricultural imports from Brazil declined about 5 percent to $461 million, but U. S. exports to Brazil were 8 percent above the 1966 record of $110 million.

In 1968, Brazil's total exports of principal agricultural commodities are expected to exceed 1967 levels. A larger quota under the International Coffee agreement will permit a rise in coffee exports. The planted area for corn was estimated 5 percent above 1967 and the rice area increased 30 percent, indicating that exports for both commodities may reach record levels this year. Total U. S. agricultural exports to Brazil will probably be maintained by increased wheat shipments.

Chile

The growth in Chilean GNP slowed to an estimated 3 percent in 1967 from about 6 percent for the previous year. Political uncertainties restricted new investment, and farm output continued to lag. Construction activity was down, and manufacturing output grew more slowly with the exhaustion of excess capacity. Substantial capital imports indicate a possible resumption of more rapid growth in 1968.

The consumer price index increased 22 percent in 1967, compared with 17 percent in 1966. A tight fiscal and monetary policy helped to hold the increase in money supply to 16 percent, in contrast to 39 percent rise the

previous year. Total exports increased only 2 percent to $888 million in 1967. The expansion in copper shipments slowed because production increased more slowly than expected. World prices for this commodity, which accounts for 70 percent of Chile's total export earnings, fell sharply early in 1967 but recovered during the U. S. copper strike. Imports were up 7 percent to about $840 million. However, preliminary estimates indicate a balance-of-payments deficit in 1967; and total gold and foreign exchange resources declined from $172 million to $126 million during 1967.

Real farm prices declined in 1967, following estimated gains for the previous 3 years. Planting and growing conditions favored most early crops, particularly grains. Crop production increased 4 percent and livestock output was 2 percent greater than 1966. The indexes of total agricultural and food production were estimated at 114 and 115, respectively, compared with 111 and 112 for 1966 (1957-59 = 100).

Due to dissatisfaction with Government wheat support prices, producers shifted land to oilseeds and sugarbeets. An 8 percent decline in area was offset by higher yields, and wheat production increased 3 percent to 1.2 million tons. Corn output soared 47 percent to a record level, in response to favorable growing conditions and more favorable price expectations. Rice production was up about one-fourth, despite a reduction in area.

Production of potatoes, beans, and deciduous fruit was up sharply. Low temperatures reduced yields of citrus and some vegetable crops. A 40 percent increase in planted area raised sugarbeet production by nearly one-half; sugar output for 1967 was estimated about 10 percent above the previous year. Rains near harvest time reduced production of sunflower and rapeseed by 39 and 15 percent, respectively, from the harvests of the previous year.

Total beef production continued a slight downtrend, reflecting restraints on consumption, incentives to rebuild herds, and a continuing decline in imports of slaughter cattle. Pork and mutton production maintained a slight rise in response to demand as a beef-substitute. The demand for poultry meat remained particularly high, and 1967 production climbed 41 percent to 38,000 tons. Milk output remained near the 1966 level, reflecting poor pasture conditions.

Chile's agricultural exports for 1967 were estimated at more than the $63 million reported for 1966, mainly due to larger shipments of deciduous fruits and melons. Agricultural imports probably exceeded the $179 million for a year earlier. Wheat and flour imports declined from the 1966 record. Imports of vegetable oils increased. Chilean purchases of sugar, meat, and dairy products were higher. Rice and corn imports were lower. U. S. agricultural exports to Chile were only $25 million, compared with a record $41 million in 1966. Some recovery in U. S. trade with Chile is anticipated during 1968, due, in part, to the sale of breeding cattle to support the livestock development program.

Colombia

Lower agricultural output and imposition of monetary restrictions under the Government austerity program contributed to some slackening in Colombia's economic growth in 1967. GNP increased about 4.5 percent, compared with 5.3 percent for the previous year. However, improved economic stability and business confidence point to gains in 1968.

Liberalization of trade controls contributed to a $168 million trade deficit in 1966, and the Government imposed severe import restrictions in November 1966. Exports for 1967 were estimated above the previous year's level of $510 million. Although Colombia realized a small surplus in 1967

export earnings, gold and foreign exchange reserves declined from $123 million to $118 million. Inflation slowed, and the rise in cost-of-living declined from a 1966 rate near 18 percent to about 8 percent in 1967.

Agriculture was stimulated by growing domestic demand for food products, and the area for principal crops expanded by about 3 percent. However, a decline in coffee offset gains for other crops and livestock products. The 1967 index of agricultural production was estimated at 121, compared with 122 in 1966 (1957-59 = 100). The food production index increased 1.6 percent to 125, but per capita food output dropped about 2 percent.

In the face of growing competition from dairying, barley, and potatoes, wheat seedings continued to decline and 1967 production was down 36 percent. Due to insect damage, rice production dropped slightly below the 1966 record. In contrast, favorable prices and the expansion in credit and technical assistance to producers continued to stimulate plantings of corn; production increased 6 percent to 850,000 tons. Although the barley area increased 16 percent, the harvest was near the 1966 level, due to frost damage. Potato production increased slightly.

Cotton production increased about 12 percent to 98,000 tons of fiber and 218,000 tons of seed. Output of soybeans increased 50 percent. Despite a sharp drop in sesame output, 1967 production of vegetable oils was estimated at a record 76,000 tons, up about 9 percent. Sugarcane production continued at a high level, and centrifugal sugar output also set a new record. However, the coffee harvest of 456,000 tons was off about 7 percent.

Livestock output resumed a moderate uptrend during 1967. Beef production was about 2 percent above 1966, but remained about 6 percent below the 1964 record. Milk production increased nearly 2 percent.

Agricultural trade reflected the Colombian program to expand and diversify exports and to restrict imports. Coffee exports were estimated about 5 percent above 1966. Larger supplies and midyear devaluation of the peso stimulated an increase in exports, particularly for bananas, sugar, and cotton. Agricultural imports declined in face of increased restrictions.

U. S. agricultural imports from Colombia increased about 3 percent in 1967 to $180 million. However, exports were down one-fourth due, in part, to increased competition from LAFTA suppliers of wheat and fats and oils. This strong competition is expected to continue. However, this year's U. S. exports to Colombia may benefit from some relaxation in import restrictions and to a reduced Colombian carryover stocks, particularly for wheat.

Ecuador

Ecuador's economy was stimulated in 1967 by expanded agricultural output and some improvement in the country's foreign exchange position. GNP growth likely equalled the 1966 rate, estimated at 5 percent. Increased exports and foreign loan assistance increased gold and foreign reserves from $61 million to $69 million in 1967. A budget deficit persisted, despite the Government's austerity program, but the outlook appears more favorable for 1968.

Agricultural production in the coastal area was reduced by heavy rains and later drought. However, growing conditions were favorable in other regions. The 1967 index of agricultural output was estimated at a record 143, up nearly 7 percent from the previous year (1957-59 = 100). Food production increased about 5 percent, with the per capita output up about 2 percent.

Due to drought, the 1967 rice harvest was about 11 percent below 1966. This was

partially offset by an increase in output of other grains, particularly corn and barley. Potato and bean harvests were near-record levels. Due to recent shifts to the higher-yielding Cavendish varieties, export banana production continued near 2.5 million tons, despite some decline in area. Output of sugar, coffee, and cocoa beans achieved new records and cotton production recovered. Livestock products output continued a slight uptrend, but per capita production was down.

Agricultural trade in 1967 was estimated above the 1966 level. Banana exports were above the previous year, reflecting increased shipments to European markets. Cocoa bean sales were near-record and shipments of coffee and sugar increased. Wheat imports were estimated at near the 1966 level. Purchases of fats and oils were up. U.S. agricultural imports from Ecuador increased, due to a larger sugar quota, but exports dropped sharply from the record 1966 value of $11.8 million.

Peru

In 1967, a continuing decline in agricultural output and a growing trade deficit restricted expansion of the Peruvian economy and contributed to a financial crisis after midyear. GNP growth was estimated at 3.5 percent, compared with an average yearly increase near 6 percent for the previous 10 years. Growing trade and monetary problems led to a 44 percent devaluation of the Peruvian sol in September 1967. The Government also announced an austerity program to stabilize the economy and to prevent a rapid price rise.

Gold and foreign exchange holdings declined from $155 million to $126 million during 1967. The cost of living index increased an estimated 20 percent, the largest rise since 1948. A slowdown in investment and business activity was accompanied by a rise in unemployment, particularly in construction, fisheries, chemicals, and textiles. An improvement in Peru's foreign exchange position and some recovery in business activity near the end of 1967 portends some stabilization of the economic situation during 1968. However, growth will probably remain below the rate of recent years.

Agricultural production continued the decline that began in 1964. The 1967 index was estimated at 123, down 4 percent from the previous year (1957-59 = 100). A significant decline in output of principal export crops was partially offset by a recovery from drought, which increased crop and livestock production in the highland region. The 1967 food production index increased 2 percent, but per capita food output declined.

A high Government purchase price encouraged a shift of irrigated cotton land to rice; and 1967 rice production was a record--up 16 percent. The corn area also increased in response to growing demand for feedgrains; and with improved yields, production increased 8 percent to an all-time high. Production of other food crops, including barley and potatoes, recovered to near normal levels.

The cotton area continued to decline and, partly due to a smaller supply of irrigation water in some northern areas, the 1967 harvest dropped about one-fourth to 92,000 tons of fiber and 205,000 tons of seed. Overcutting in 1966 reduced the harvested area for sugarcane, and sugar output dropped 5 percent to 800,000 tons. Domestic slaughter of cattle and hogs continued near the reduced 1966 level, with a significant portion of the urban meat market supplied by imported cattle. Output of mutton and milk increased slightly. Poultry and egg production rose an estimated 4 percent.

Agricultural trade in 1967 was characterized by a lag in exports and some continued expansion in imports. A 27 percent decline in cotton exports was partially offset

by a recovery in coffee and a 16 percent rise in 1967 sugar shipments. Wheat imports increased an estimated 2 percent. Purchases of slaughter cattle, meat, and tobacco were up; but rice, lard, and vegetable oils declined. U. S. agricultural exports to Peru rose 14 percent in 1967 to a record $42 million. U. S. imports of $82 million were also a record, due principally to larger sugar shipments.

Peru's cotton production and exports are expected to decline again in 1968, due to shortages of irrigation water. Export availabilities of sugar may be less than a year earlier. Due to water shortages, this year's rice crop is estimated down 40 percent. A smaller irrigated corn crop may necessitate imports of feedgrains to support the growing dairy and poultry industries. These prospective shortages indicate that U. S. agricultural exports to Peru should continue near record levels in 1968.

Uruguay

A sharp drop in agricultural output and runaway inflation reduced output of most sectors of the Uruguayan economy in 1967. The GNP declined between 2 and 4 percent, compared with a gain of 2.7 percent in 1966. A crisis in the economy led to the imposition of a new stabilization program and further devaluation of the peso in November 1967.

The cost-of-living index rose a record 136 percent in 1967, due to an expansion in credit, fiscal deficits, food shortages, and large-scale wage increases. Exports reflected the sharp drop in agricultural output and fell nearly one-fifth to $150 million. Imports increased slightly to about $170 million, despite the imposition of severe restrictions and devaluation of the peso from 76.50 to 200 per U. S. dollar. The exchange crisis was eased through support of the stabilization program by international financial institutions. Gold and foreign exchange reserves were estimated at $175 million at the end of December 1967, compared with $196 million on January 1.

Agriculture suffered from unusually adverse weather conditions. Severe drought reduced harvests of early crops. Unusually cold weather, heavy rains, and flooding lowered output of later crops and reduced livestock output. The 1967 index of agricultural production declined for the third year in a row to 98, about 11 percent below a year earlier (1957-59 = 100).

Wheat production dropped 55 percent; and corn fell 35 percent; sunflowerseed declined 24 percent; flaxseed was a record low; and potato production was estimated down almost one-half. The only crops not reduced were irrigated rice (which increased 8 percent); and sugar beets, harvested before the drought, which were up 13 percent from a year earlier.

Drought and floods contributed to a 5 percent drop in livestock output to an index of 104. Beef production was the lowest in 9 years--241,000 tons, 8 percent below 1966--because of cattle deaths, low weights due to feed shortages, and an October-November ban on slaughter to protect herds. As a result of the increased domestic demand for other meats, mutton production rose 46 percent. Adding to the bleak agricultural picture was a 16 percent drop in milk and a 6 percent decline in wool production. Beef and mutton output in 1968 will no doubt reflect the loss of cattle, estimated at between 2 to 5 percent, and a 30 to 40 percent loss in the 1967 lamb crop.

Uruguayan beef export earnings were down in 1967, reflecting lower world prices, the effects of slaughter restrictions, and the United Kingdom ban on meat imports. Wool exports were also below the 1966 level. Supplies of most other agricultural products met needs in 1967. However, 1968 import requirements are currently estimated at from

250,000 to 350,000 tons for wheat and 60,000 tons of feedgrains. U. S. agricultural imports from Uruguay dropped from $23 million in 1966 to $8 million in 1967. At the same time, U. S. farm exports to Uruguay rose slightly to $2.5 million.

Venezuela

The Suez crisis increased demand for Venezuelan petroleum and stimulated a recovery from the 1966 recession. GNP growth for 1967 was estimated at about 5 percent, compared with 3 percent in 1966. An improvement in business confidence, a recovery in iron ore exports, and a continued rise in petroleum are expected to maintain the uptrend through 1968.

Venezuela's 1967 exports were estimated about 4 percent above the 1966 value of $2.7 billion. Imports were expected to be up slightly from the 1966 level of $1.3 billion, reflecting the recovery in business activity. Gold and foreign exchange reserves rose from $776 million to $872 million during the year. Venequela continued the emphasis upon diversification of agriculture and consumer goods industries through import substitution. Recently, policies have shifted to encouraging investment in intermediate and basic industries, including steel and petrochemicals, to develop potential export markets in the Latin American Free Trade Association.

Agricultural output gains reflected favorable growing conditions, strong demand, import protection, and development incentives. The 1967 index of agricultural output increased 6.6 percent to 161 for a per capita rise of 2.4 percent (1957-59 = 100). Large gains in production of food crops were partly offset by a smaller increase in livestock output. Per capita food production was estimated over 3 percent above the 1966 level.

Expanded area and higher yields resulted in record crops, estimated at 604,000 tons for corn and 292,000 tons for rice. The potato harvest exceeded the 1966 record by about 5 percent, and sesame seed reached an all-time high of 81,000 tons. The bean harvest was down about 2 percent in 1967, despite Government efforts to expand production and reduce imports. Sugarcane production continued an uptrend, and centrifugal sugar output increased 6 percent to 382,000 tons, pushing sugar stocks to about 175,000 tons. The upland cotton crop of 14,000 tons may meet domestic needs for medium length fiber. Production of newly developed Orinoco cotton, just starting, is expected to meet needs for long staples in 2 or 3 years.

Beef production of 180,000 tons exceeded the 1966 record by about 2 percent. Pork was up about one-fifth. Milk output continued to rise with an estimate of 721,000 tons, about 4 percent above 1966. Expansion of the poultry industry continued under strong import protection.

Agricultural exports, though small, continued to increase. Larger shipments of coffee and cocoa beans were supplemented by an increase in other commodities, including rice, sugar, and plantains. Strong domestic demand was reflected in 1967 wheat imports, which increased 10 percent to 600,000 tons. Imports of pulses, barley malt, and fats and oils were also larger. Imports of fruits and vegetables and preparations, dairy products, and cotton declined. U. S. agricultural exports to Venezuela increased nearly one-third to $90.9 million in 1967, reflecting gains for wheat and fats and oils. U. S. imports of farm commodities from Venezuala continued near the 1966 level of $22.7 million.

Other South American Countries

Strong development trends were maintained in Bolivia and Guyana. Their rates of GNP increase were estimated to be up to 6

and 7 percent, respectively. The rise in GNP was near 3 percent for Paraguay.

Bolivian tin output was near the 1966 level, but total mineral production increased only about 4 percent in 1967, compared with a record rise of 18 percent a year earlier. This slowdown was more than offset by expansion in industry and doubling in petroleum output. Petroleum gains were also a major factor in the 21 percent rise in export earnings. Guyana benefitted from a gain in agricultural output and a continuing inflow of foreign capital to help expand construction and industry, including the production and export of bauxite. Agricultural and related output increases in Paraguay also led to some growth in exports. With exports of little importance, heavy economic subsidies continued for French Guiana. Gains in bauxite and agricultural output were important to economic growth and export increases in Surinam. Larger imports by these countries generally offset gains in export earnings. Gold and foreign exchange reserves dropped, during 1967 in Bolivia and Guyana; but loans from abroad maintained Paraguay's reserves near the 1966 level.

Adverse growing conditions reduced production of basic food crops in the Bolivian highlands. Bolivia's 1967 index of agricultural production declined 4 percent and food production was about 3 percent below 1966 (1957-59 = 100). Recovery from 1966 drought resulted in a rise of about 11 percent in agricultural and food output in Guyana. Paraguay's production recovered from the adverse conditions in 1966, and the 1967 index of agricultural production rose 4 percent to 116. Government policies and favorable weather maintained a strong growth trend for Surinam's agriculture.

Bolivia's crop production dropped about 6 percent in 1967, reflecting lower harvests of wheat, barley, corn, and potatoes. Rice production continued its rise to a record 60,000 tons, and harvests of sugarcane and coffee were well above a year earlier. Guyana's production of rice and sugarcane reached records of 270,000 tons and 3.9 million tons, respectively. Paraguay's corn area increased and production rose 12 percent to a record 300,000 tons. The Government restricted sugarcane cutting to 960,000 tons. Low prices encouraged Paraguayan producers to shift from cotton to tobacco and resulted in 56 percent drop in the tung nut harvest. Surinam's rice harvest was estimated above the 1966 level of 98,000 tons. Banana production also increased significantly, reflecting the emphasis of Government development programs.

Bolivia's 1967 output of livestock products was estimated near the 1966 level, with a 2 percent rise in meat offset by a decline in milk production. In Paraguay, a 1966 buildup in cattle numbers and favorable pasture conditions resulted in a 7 percent gain in meat and 6 percent in milk production; cattle slaughter for meat export reached a record, 41 percent above 1966, including 30,000 head imported from Argentina. Gains in beef and pork accounted for a 2 percent rise in livestock output in Guyana.

Bolivia's normal agricultural exports were augmented by a surplus of rice and some rise in shipments of coffee and sugar. Guyana and Surinam increased rice and sugar exports. Paraguay's beef exports were about one-third larger than a year earlier, but tung oil declined sharply. A decline in 1967 U. S. agricultural imports from Bolivia and Paraguay was partially offset by gains in U. S. imports from Guyana and Surinam. U. S. farm exports to Bolivia increased nearly one-third to $12 million, reflecting larger wheat shipments. U. S. shipments to Paraguay declined from $3.2 million in 1966 to $1 million in 1967.

Table 1.--Population, gross national product, and gold and foreign exchange holdings of Western Hemisphere countries and regions, annual 1966-67 1/

Country	Population			Gross National Product			Gold and Foreign Exchange Holdings 2/		
	1966	1967	Change	1966 3/	1967 4/	Change	1966 5/	1967 6/	Change
	- - Thousands - -		Percent	- - Million dollars - -		Percent	- - Million dollars - -		Percent
Canada.	20,050	20,441	2.0	53,530	54,868	2.5	2,693	2,709	0.6
Mexico.	44,145	45,690	3.5	21,790	23,315	7.0	564	586	3.9
North America .	64,195	66,131	3.0	75,320	78,182	3.8	3,257	3,295	1.2
Barbados.	259	262	1.2	95	98	3.5	n.a.	n.a.	n.a.
Cuba.	7,833	8,037	2.6	2,900	2,958	2.0	n.a.	n.a.	n.a.
Dominican Republic	3,749	3,885	3.6	996	1,026	3.0	44	44	0
Haiti	4,767	4,877	2.3	350	348	-0.7	2	2	0
Jamaica	1,833	1,881	2.6	946	1,003	6.0	106	102	-3.8
Trinidad & Tobago	1,004	1,034	3.0	663	690	4.0	30	30	0
Antilles (Neth.).	214	218	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bahamas (Br.) . .	123	126	2.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bermuda (Br.) . .	49	50	2.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Leeward & Windward Is. (Br.) . . .	504	516	2.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
West Indies (Fr.)	637	654	2.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Caribbean . . .	20,972	21,540	2.7	5,950	6,123	2.9	182	178	-2.2
Costa Rica. . . .	1,558	1,617	3.8	631	663	5.0	17	18	5.9
El Salvador . . .	3,008	3,104	3.2	845	883	4.5	57	55	-3.5
Guatemala	4,770	4,927	3.3	1,380	1,435	4.0	61	65	6.6
Honduras.	2,333	2,405	3.1	536	555	3.5	27	25	-7.4
Nicaragua	1,705	1,765	3.5	573	597	4.2	58	32	44.8
Panama.	1,286	1,329	3.3	725	790	9.0	36	41	13.9
Br. Honduras. . .	109	112	2.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canal Zone. . . .	(35)	(35)	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Central America	14,769	15,259	3.3	4,690	4,923	5.0	256	236	-7.8
Argentina	22,691	23,045	1.6	18,730	19,105	2.0	216	727	336.6
Bolivia	4,235	4,337	2.4	664	704	6.0	41	38	-7.3
Brazil.	83,953	86,472	3.0	19,700	20,685	5.0	409	204	-50.1
Chile	9,007	9,223	2.4	5,140	5,294	3.0	172	126	-26.7
Colombia.	18,524	19,080	3.0	5,260	5,497	4.5	123	118	-4.1
Ecuador	5,250	5,429	3.4	1,100	1,155	5.0	61	69	13.1
Guyana.	665	684	2.9	211	226	7.0	18	12	-33.3
Paraguay.	2,061	2,115	2.6	462	476	3.0	12	12	0
Peru.	12,012	12,384	3.1	5,025	5,201	3.5	155	126	-18.7
Uruguay	2,749	2,787	1.4	1,460	1,402	-4.0	196	175	-10.7
Venezuela	9,030	9,337	3.4	7,940	8,337	5.0	776	872	12.4
Falkland Is. (Br.)	2	2	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
French Guiana . .	39	40	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Surinam (Neth.) .	365	376	3.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South America .	170,583	175,311	2.8	65,692	68,082	3.6	2,181	2,479	13.7
Latin America . .	250,469	257,800	2.9	98,122	102,443	4.4	3,183	3,479	9.3
Western Hemisphere	270,519	278,241	2.9	151,652	157,311	3.7	5,876	6,188	5.3

1/ Regional totals include only those countries and areas listed for which individual data are shown. 2/ Total of gold, foreign exchange holdings, and reserve positions in International Monetary Fund. 3/ Preliminary estimates in local currency converted to U.S. dollar equivalents using the average of end of quarter free or principal import rates of exchange. 4/ Forecasts using estimates of real growth applied to 1966 estimates. 5/ End of year. 6/ End of December except end of November for Guyana; end of September for Panama; and end of March for the Dominican Republic.

Sources: UN/ECLA, Statistical Bulletin for Latin America, Vol. III, No. 1; IMF, International Financial Statistics; Economic Research Service, USDA; U.S. Agency for International Development; and official Government reports.

Table 2.--Indexes of total and per capita volume of agriculture and food production of Western Hemisphere countries and regions, 1965-67 1/

(1957-59 = 100)

Country	Total						Per Capita					
	Agricultural			Food			Agricultural			Food		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967
Canada	128	144	126	128	145	127	112	123	105	112	124	106
Mexico	143	144	148	145	152	157	113	110	109	115	116	116
North America	134	144	134	134	147	137	109	114	103	109	116	105
Cuba	89	75	87	92	76	90	76	63	71	79	64	73
Dominican Republic	101	103	105	100	102	104	79	78	76	78	77	76
Haiti	88	83	89	88	91	89	75	69	73	75	76	73
Jamaica	124	124	114	122	123	113	109	106	95	107	105	94
Trinidad & Tobago	112	108	112	111	109	112	91	85	85	90	86	85
Caribbean	95	85	93	97	86	95	80	70	75	82	71	76
Costa Rica	108	122	131	103	112	120	83	91	94	79	83	86
El Salvador	127	131	140	126	137	134	102	102	106	101	107	101
Guatemala	162	147	152	135	140	139	129	113	113	108	108	104
Honduras	134	127	139	129	128	136	108	99	105	104	100	103
Nicaragua	178	182	189	148	156	157	143	142	142	119	122	118
Panama	137	134	137	139	134	138	111	105	104	112	105	104
Central America	142	141	148	130	134	137	114	109	111	104	104	103
Argentina	104	112	118	105	114	123	93	99	102	94	100	107
Bolivia	110	113	110	110	113	109	94	94	90	94	94	89
Brazil	140	121	129	147	136	146	114	95	99	119	107	112
Chile	111	111	114	112	112	115	94	91	92	94	92	92
Colombia	118	122	121	123	123	125	96	97	93	101	98	96
Ecuador	136	134	143	131	131	138	109	104	107	105	101	103
Guyana	123	117	130	124	117	131	101	94	101	102	94	102
Paraguay	116	112	116	112	108	116	97	92	92	94	88	92
Peru	127	128	123	126	129	131	103	101	94	103	102	100
Uruguay	119	110	98	128	114	100	108	99	87	116	102	88
Venezuela	145	151	161	153	160	171	114	115	119	121	122	126
South America	128	121	126	131	128	136	106	98	99	109	104	107
Latin America 2/	128	122	127	130	128	135	105	98	99	107	102	105
Hemisphere 3/	128	126	127	129	131	133	106	101	99	106	105	104

1/ Revised data for 1965 and 1966, preliminary for 1967. 2/ Production for 23 countries shown. 3/ Includes Canada.

Table 3.--Area and production of selected agricultural products by principal countries or regions of the Western Hemisphere, annual 1965-67 1/

Commodity by country	Area 2/			Production		
	1965	1966	1967	1965	1966	1967
	1,000 hectares			1,000 tons		
Wheat:						
Canada	11,445	12,016	12,190	17,661	22,517	16,137
Mexico	847	683	859	2,088	1,609	2,240
Central America	37	37	39	30	24	34
Argentina	4,593	5,214	5,901	6,200	6,247	7,000
Brazil	355	350	350	230	350	380
Chile	850	784	719	1,276	1,167	1,204
Uruguay	380	380	221	547	329	147
Other South America	399	405	371	391	388	349
Total Latin America	7,461	7,853	8,460	10,762	10,114	11,354
Rice, rough:						
Mexico	153	165	172	382	380	400
Caribbean	233	219	222	404	360	360
Panama	133	131	140	151	140	150
Other Central America	117	129	136	205	231	251
Brazil	4,619	4,005	4,300	7,580	5,802	6,500
Colombia	375	350	351	672	680	670
Guyana	136	125	138	262	249	270
Peru	75	73	83	291	348	405
Other South America	393	393	452	995	943	1,096
Total Latin America	6,234	5,590	5,994	10,942	9,133	10,102
Corn:						
Canada	304	326	355	1,514	1,685	1,882
Mexico	7,000	7,500	7,689	8,000	8,200	8,500
Caribbean	371	395	368	313	343	309
Guatemala	699	769	748	676	731	690
Honduras	424	314	410	363	285	355
Other Central America	553	579	587	523	605	554
Argentina	3,062	3,276	3,450	5,140	7,040	8,000
Brazil	8,771	7,667	8,702	12,112	10,013	12,000
Colombia	870	700	790	870	800	850
Peru	342	340	350	557	520	560
Venezuela	462	467	489	521	557	604
Other South America	893	943	981	961	1,065	827
Total Latin America	23,447	22,948	24,564	30,036	30,159	33,249
Beans, dry:						
Canada	35	48	43	54	80	58
Mexico	2,100	2,200	2,204	903	1,002	1,008
Caribbean	58	59	64	46	52	50
Central America	310	280	333	167	161	183
Brazil	3,273	3,499	3,976	2,290	1,559	2,200
Chile	87	85	68	74	94	89
Other South America	354	369	371	236	232	242
Total Latin America	6,182	6,492	7,016	3,716	3,100	3,772
Sweetpotatoes and yams:						
Mexico	18	18	20	134	144	122
Caribbean	157	147	143	665	667	518
Argentina	36	36	42	341	362	447
Brazil	168	175	175	1,721	1,913	1,913
Paraguay	14	15	12	132	119	90
Peru	12	13	13	124	130	132
Other South America	44	44	44	323	327	331
Total Latin America 3/	449	448	449	3,440	3,662	3,553

Footnotes at end of table.

Continued --

Table 3.--Continued

Commodity by country	Area 2/			Production		
	1965	1966	1967	1965	1966	1967
	1,000 hectares			1,000 tons		
Potatoes:						
Canada	121	129	123	2,109	2,594	1,950
Mexico	53	53	53	442	457	400
Caribbean	12	13	13	119	95	95
Central America	10	11	11	37	37	40
Argentina	204	165	163	2,489	1,484	1,797
Bolivia	200	160	150	650	635	600
Brazil	202	199	205	1,246	1,329	1,368
Chile	86	77	77	737	705	717
Colombia	65	67	79	900	760	800
Ecuador	35	55	70	290	220	280
Peru	250	250	255	1,568	1,490	1,580
Venezuela	16	16	17	136	143	151
Other South America	27	37	21	132	174	120
Total Latin America 3/	1,160	1,103	1,114	8,746	7,529	7,948
Cotton:						
Mexico	793	701	643	572	490	446
Haiti	6	6	6	1	1	1
Guatemala	115	85	87	86	63	68
Nicaragua	143	151	152	110	114	117
Other Central America	104	70	63	68	53	47
Brazil	2,024	2,147	2,060	437	561	438
Colombia	166	163	168	65	87	98
Peru	250	223	200	131	121	92
Other South America	659	555	439	165	144	118
Total Latin America	4,260	4,099	3,818	1,635	1,634	1,425
Soybeans:						
Canada	107	113	117	219	245	220
Mexico	25	50	55	60	100	105
Brazil	432	491	530	523	595	695
Colombia	33	50	53	50	60	90
Total specified L.A. countries	490	591	638	633	755	890
Tobacco:						
Canada	40	53	58	77	106	105
Mexico	24	25	23	43	42	45
Caribbean	66	69	63	63	67	61
Central America	13	13	13	11	14	14
Argentina	48	48	56	53	45	63
Brazil	171	161	151	194	136	127
Colombia	25	27	26	40	44	42
Other South America	26	22	25	35	28	32
Total Latin America	373	365	357	439	376	384

1/ Time reference is calendar year to include crop harvested mainly in each year. Latin American total include available data for the 20 Latin American countries plus Jamaica, Trinidad and Tobago, and Guyana. 2/ Canada is seeded area; other countries is harvested area insofar as possible. 3/ Excludes Central America with an estimate of 1,000 hectares and production of 4,000 tons.

Sources: Economic Research Service, USDA; and Foreign Agricultural Service, USDA.

Table 4.--Production of selected agricultural products by principal countries or regions of the Western Hemisphere, annual 1965-67 1/

Commodity by country	Production 1965	1966	1967
	1,000 tons		
Cassava (yuca):			
Caribbean	206	218	212
Brazil	25,000	20,000	21,000
Colombia	800	840	850
Paraguay	1,462	1,498	1,543
Other South America	1,122	1,126	1,200
Total Latin America	28,590	23,682	24,805
Sugar, cent.:(raw value)			
Canada	132	148	138
Mexico	2,068	2,105	2,430
Cuba	5,988	4,491	5,624
Dominican Republic	816	670	810
Other Caribbean	1,341	1,223	1,184
Central America	552	580	686
Argentina	1,290	1,021	796
Brazil	4,830	4,361	4,237
Colombia	437	553	637
Peru	769	842	800
Venezuela	376	360	382
Other South America	758	851	859
Total Latin America	19,225	17,057	18,445
Cottonseed:			
Mexico	1,144	980	893
Central America	553	480	465
Brazil	874	1,122	876
Peru	291	269	205
Other South America	501	501	471
Total Latin America	3,363	3,352	2,910
Bananas:			
Mexico	779	978	985
Caribbean	661	667	602
Costa Rica	567	523	548
Honduras	1,104	1,270	1,195
Panama	583	590	600
Other Central America	117	74	76
Brazil	4,537	4,745	4,745
Ecuador 2/	2,400	2,500	2,500
Other South America	2,043	2,085	2,104
Total Latin America	12,791	13,432	13,355
Coffee:			
Mexico	180	159	174
Caribbean	105	91	103
Central America	357	345	390
Brazil	2,262	1,200	1,380
Colombia	456	492	456
Other South America	172	163	171
Total Latin America	3,532	2,450	2,674

Commodity by country	Production 1965	1966	1967
	1,000 tons		
Cocoa beans:			
Dominican Republic	30	27	28
Other Caribbean	11	11	12
Central America	8	10	9
Brazil	171	173	170
Ecuador	47	35	52
Venezuela	23	21	22
Other South America	19	20	21
Total Latin America	309	297	314
Wool:			
Mexico	6	6	6
Argentina	180	200	194
Uruguay	84	86	81
Other South America	77	69	70
Total Latin America	347	361	351
Beef and veal:			
Canada	849	846	849
Mexico	512	528	544
Caribbean	214	212	212
Central America	158	163	174
Argentina	2,088	2,387	2,550
Brazil	1,497	1,448	1,405
Colombia	386	365	371
Uruguay	341	261	241
Other South America	616	615	637
Total Latin America	5,812	5,979	6,134
Pork:			
Canada	467	466	550
Mexico	227	238	246
Caribbean	54	52	55
Central America	44	45	47
Argentina	196	224	215
Brazil	596	674	673
Other South America	229	235	244
Total Latin America	1,346	1,468	1,480
Milk:			
Canada	8,328	8,335	8,256
Mexico	4,331	4,480	4,631
Caribbean	802	792	792
Central America	1,138	1,227	1,272
Argentina	4,668	5,152	4,634
Brazil	6,194	7,200	7,800
Chile	835	855	855
Colombia	1,973	2,034	2,070
Other South America	2,417	2,472	2,402
Total Latin America	22,358	24,212	24,456

1/ Time reference is calendar year to include crop harvested mainly in each year. Latin American totals include available data for the 20 Latin American countries, plus Guyana, Jamaica, and Trinidad and Tobago. 2/ Exportable-type only. 3/ Excludes wool exported on sheepskins.

Sources: Economic Research Service, USDA; and Foreign Agricultural Service, USDA.

Table 5.--Price indexes for selected agricultural commodities, annual 1965-67

Commodity	Type of quotation	Unit	Average price 1955-59	Price indices (1955-59=100)		
				1965	1966	1967 1/
			Dollars			
Apples, U.S.	Unit value of exports	100 lbs.	8.06	111	117	125
Bananas, C.A.	f.o.b. U.S. ports	do	7.37	98	94	96
Beef, English longsides	London price	do	28.57	128	120	114
Cacao, Brazilian	Unit value of exports	do	31.95	43	64	74
Ghanaian	Spot, ex-warehouse N.Y.	do	34.48	50	71	84
Coffee, Colombian MAMs	New York price	do	59.98	81	79	70
Brazil, Santos #4	do	do	52.00	86	78	73
Corn, U.S. No. 3 yellow 2/	c.i.f. United Kingdom	ton	63.20	102	104	101
Argentine	do	do	69.40	102	102	95
Cotton, SM 1-1/16 3/	c.i.f. Liverpool	100 lbs.	34.27	86	82	89
Oranges & tangerines, U.S.	Unit value of exports	do	6.67	129	124	117
Rice, U.S. milled 4/	f.o.b. New Orleans	do	9.16	91	91	93
Soybeans, U.S. No. 2	Bulk, c.i.f. U.K.	ton	101.20	115	125	114
Soybean oil, U.S. bulk	Ex-tank, c.i.f. Rotterdam	do	290.60	93	90	76
Sugar, Caribbean 96°	f.o.b. ship	100 lbs.	3.67	58	52	56
do.	Duty-paid price in N.Y.	do	6.18	110	113	118
Tobacco, U.S. leaf	Av. price to producer	do	55.02	108	117	118
Wheat, U.S. No. 2 H.W.	f.o.b. Kansas City	Bushel	2.15	73	83	78
Canada, Manitoba #1	f.o.b. Ft. Will./Pt. Ar.	do	1.73	104	111	110
Argentine	Unit value of exports	do	1.66	92	91	101
Wool, U.S. raw 47's	Boston price	100 lbs.	56.26	113	111	86
Argentine greasy	Unit value of exports	do	46.06	79	76	79
U.N. Export Price Indices 5/						
Food				99	100	100
Agricultural nonfood				95	96	91
Total agricultural				97	98	96
Fuels (mostly petroleum)				95	95	95
Non-ferrous base metals (copper, zinc, lead, aluminum, etc.)				130	150	132
Manufactured goods				108	110	111

1/ Covers available quotations in 1967 and January-September U.N. export price indices. 2/ U.S. No. 2, soft yellow prior to November 1962. 3/ Memphis area. 4/ Zenith No. 2, miller to distributor. 5/ Adjusted to 1955-59 base. Total agricultural is a weighted average of U.N. food (0.54) and agricultural nonfood (0.46) export price indices.

Sources: Prices for beef, cocoa, coffee, rice, sugar, tobacco, wheat, and wool are from I.M.F. International Financial Statistics; prices for bananas, corn, soybeans, and soybean oil are from F.A.O. Monthly Bulletin of Agricultural Economics and Statistics; unit values of exports of apples and of oranges and tangerines from ERS, USDA Foreign Agricultural Trade of the U.S.; cotton prices are from International Cotton Advisory Committee's Cotton-World Statistics and John Gardner, Cotton Trade Journalist, Liverpool; U.N. agricultural export price indexes were calculated from data in U.N. Monthly Bulletin of Statistics.

Table 6.--Exports and imports of selected agricultural commodities by principal countries or regions of the Western Hemisphere, annual 1965-67

Exports by country	1965 1/	1966 2/	1967 3/	Imports by country	1965 1/	1966 2/	1967 3/
	- - - 1,000 tons	- - -			- - - 1,000 tons	- - -	
Wheat: 4/				Wheat: 4/			
Canada	12,731	15,622	12,900	Mexico	12	1	5/
				Cuba	500	675	500
Mexico	686	47	200	Jamaica	125	130	135
Central America	5/	1	1	Other Caribbean	339	366	380
Argentina	6,676	5,078	2,079	Central America	298	301	316
Other South America	81	129	15	Bolivia	166	113	175
				Brazil	1,889	2,406	2,440
Total Latin America	7,443	5,255	2,295	Chile	290	539	464
				Colombia	174	251	200
				Peru	463	495	507
				Venezuela	559	545	600
				Other South America	197	198	222
				Total Latin America	5,012	6,020	5,939
Rice, milled:				Rice, milled:			
Central America	9	6	5	Canada	54	39	51
Argentina	43	47	40				
Brazil	237	279	64	Mexico	17	12	10
Guyana	95	110	110	Cuba	280	300	300
Uruguay	19	48	45	Jamaica	34	27	28
Venezuela	20	50	64	Trinidad & Tobago	31	32	30
Other South America	21	42	29	Other Caribbean	65	45	50
				Central America	20	39	30
Total Latin America	444	582	357	Chile	11	40	20
				Peru	92	80	68
				Other South America	11	3	4
				Total Latin America	561	578	540
Corn:				Corn:			
Mexico	1,347	852	1,200	Canada	463	514	550
Caribbean	3	4	4				
Central America	67	51	41	Mexico	11	4	4
Argentina	2,804	3,752	4,317	Cuba	144	150	150
Brazil	560	621	430	Other Caribbean	76	70	87
Other South America	11	8	15	Central America	87	75	75
				South America	65	72	29
Total Latin America	4,792	5,288	6,007				
				Total Latin America	383	371	345
Sugar (raw value):				Sugar, (raw value)			
Mexico	527	478	608	Canada	838	772	800
Cuba	5,315	4,434	5,100				
Dominican Republic	536	555	600	Caribbean	15	15	15
Jamaica	431	415	430	Central America	6	3	1
Trinidad & Tobago	216	167	150	Chile	209	199	220
Other Caribbean	472	441	445	Uruguay	40	62	65
Central America	179	242	272	Other South America	2	2	1
Argentina	64	149	57				
Brazil	763	1,004	1,076	Total Latin America	272	281	302
Guyana	272	283	315				
Peru	365	430	500				
Other South America	190	222	232				
Total Latin America	9,330	8,820	9,785				
Coffee, green:				Coffee, green:			
Mexico	78	86	81	Canada	77	78	75
Caribbean	53	50	47				
El Salvador	100	95	110	Caribbean	1	1	1
Guatemala	95	112	75	Argentina	30	37	33
Other Central America	101	102	95	Other South America	12	11	11
Brazil	809	1,010	995				
Colombia	338	334	350	Total Latin America	43	49	45
Other South America	107	101	110				
Total Latin America	1,681	1,890	1,863				

Continued --

Table 6.--Continued

Exports by country	1965 1/	1966 2/	1967 3/	Imports by country	1965 1/	1966 2/	1967 3/
	- - - 1,000 tons - - -				- - - 1,000 tons - - -		
Bananas, fresh:				Bananas, fresh:			
Mexico	21	17	17	Canada	167	175	180
Jamaica	203	203	200				
Other Caribbean excl. Cuba	475	488	492	Argentina	234	215	210
Costa Rica	316	359	371	Chile	28	64	30
Honduras	562	776	776	Uruguay	18	32	35
Panama	310	420	450	Other South America	5	4	5
Other Central America	71	107	126				
Brazil	216	230	230	Total Latin America	285	315	280
Colombia	284	310	325				
Ecuador	1,200	1,264	1,280				
Other South America	2	13	25				
Total Latin America	3,660	4,187	4,292				
Cocoa beans:				Cocoa beans:			
Mexico	9	8	8	Canada	23	17	17
Dominican Republic	22	26	24				
Other Caribbean	11	10	10	Central America	1	5/	0
Central America	9	9	9	Argentina	10	11	10
Brazil	92	112	100	Colombia	14	18	19
Ecuador	39	32	43	Other South America	4	5	5
Other South America	12	12	12				
				Total Latin America	29	34	34
Total Latin America	194	209	206				
Meat, excl. poultry: 6/				Meat, excl. poultry: 6/			
Canada	75	60	63	Canada	49	56	59
Mexico	34	43	36	Chile	7	10	15
Caribbean	2	6	7	Peru	12	14	16
Nicaragua	16	19	20	Other South America	5	5	6
Other Central America	22	20	21				
Argentina	621	745	800	Total Latin America	24	29	37
Brazil	75	53	25				
Paraguay	25	23	31				
Uruguay	115	77	63				
Other South America	1	3	2				
Total Latin America	911	989	1,005				
Cotton: 7/				Cotton: 7/			
Mexico	352	463	303	Canada	88	94	93
Caribbean	13	15	11				
Nicaragua	124	114	98	Cuba	14	15	19
Other Central America	117	131	85	Other Caribbean	2	4	4
Brazil	226	204	218	Argentina	16	16	11
Peru	102	113	83	Chile	33	23	27
Other South America	21	24	54	Uruguay	8	8	6
				Other South America	10	25	9
Total Latin America	955	1,064	852				
				Total Latin America	83	91	76
Tobacco:				Tobacco:			
Canada	19	17	16	Mexico	3	2	1
				Caribbean	2	3	2
Mexico	5	10	10	Central America	2	2	2
Cuba	14	14	14	Uruguay	2	4	2
Dominican Republic	15	12	10	Other South America	2	3	2
Other Caribbean	5/	1	1				
Central America	2	2	2	Total Latin America	11	14	9
Brazil	55	46	50				
Colombia	11	13	10				
Paraguay	15	8	10				
Other South America	12	8	8				
Total Latin America	129	114	115				

1/ Revised. 2/ Preliminary. 3/ Estimated. 4/ Includes flour in wheat equivalent. 5/ Less than 500 tons. 6/ Carcass weight equivalent basis. 7/ Converted from bales of 480 pounds net weight. Marketing year beginning August 1; 1965 is 1964/65; 1966 is 1965/66; 1967 is 1966/67.

Sources: Economic Research Service, USDA; Foreign Agricultural Service, USDA; U.N. Food and Agriculture Organization; and official Government reports.

Table 7.--U.S. agricultural trade with Western Hemisphere countries and dependencies by value, averages 1955-64, annual 1965-67

Country	U.S. exports					U.S. imports				
	Average 1955-59	Average 1960-64	1965	1966	1967 1/	Average 1955-59	Average 1960-64	1965	1966	1967 1/
	Million dollars									
Canada 2/.	341.3	529.3	619.7	625.7	550.8	203.5	180.0	234.2	240.2	201.1
Mexico	77.9	67.6	86.8	73.5	69.7	181.4	260.2	275.8	327.6	327.0
Barbados	.9	1.9	2.0	2.7	2.9	1.0	1.5	2.4	.6	2.7
Cuba 3/.	131.1	22.8	0	0	0	404.6	70.8	2.6	1.6	.9
Dominican Republic	5.5	13.3	24.2	21.4	22.1	59.5	109.6	98.9	116.4	116.4
Haiti.	7.7	7.9	9.7	8.0	8.8	14.1	14.8	13.4	12.7	12.9
Jamaica.	7.7	13.5	20.8	22.3	25.3	2.8	14.7	13.3	17.5	18.8
Trinidad & Tobago.	5.6	10.2	9.5	11.2	14.1	4.3	7.9	7.1	4.6	5.1
Antilles (Neth.) .	8.7	9.1	9.8	11.1	11.5	.3	.1	.1	.3	.1
Bahamas (Br.). . .	4.1	8.7	13.5	17.6	22.0	.1	1.8	2.5	1.7	1.2
Bermuda (Br.). . .	4.1	5.5	6.1	7.0	6.9	4/	.2	4/	4/	.1
Leeward & Windward Is. (Br.). . . .	1.0	1.8	2.6	3.8	4.0	1.7	1.0	1.8	1.7	.9
West Indies (Fr.).	.2	.8	1.9	2.0	2.6	.3	6.9	6.9	6.7	7.0
Caribbean. . . .	176.6	95.5	100.1	107.1	120.2	488.7	229.3	149.0	163.8	166.1
Costa Rica	6.0	5.6	6.1	5.8	7.8	27.8	39.5	54.3	57.0	66.9
El Salvador. . . .	6.1	6.8	8.1	9.3	7.8	49.5	34.3	43.9	37.9	47.4
Guatemala.	9.8	10.0	10.8	12.8	14.1	66.6	57.6	62.0	76.8	59.7
Honduras	4.1	4.1	5.0	5.8	5.9	23.6	29.3	64.7	76.3	59.4
Nicaragua.	3.5	4.5	7.2	8.2	6.5	18.6	25.1	31.1	24.1	33.4
Panama	9.8	10.6	14.5	17.0	16.4	15.7	16.4	36.8	45.0	51.7
British Honduras .	1.2	2.0	2.3	2.4	2.4	.1	1.7	1.7	2.1	3.6
Canal Zone	4.5	.6	0	0	0	.3	.1	.1	4/	.1
Central America.	45.0	44.2	54.0	61.3	60.9	202.2	204.0	294.6	319.2	322.2
Argentina.	7.7	3.7	7.6	4.4	2.8	107.0	95.0	91.2	109.0	101.3
Bolivia.	10.0	10.7	10.2	9.0	12.1	1.6	1.9	2.2	3.2	2.9
Brazil	36.6	100.0	59.3	101.2	109.7	590.8	481.1	413.3	483.7	461.1
Chile.	18.2	27.2	31.6	41.0	24.9	4.6	5.5	6.1	7.0	5.7
Colombia	27.9	25.5	29.6	32.5	25.0	344.9	229.8	208.3	174.6	179.7
Ecuador.	5.6	7.9	10.6	11.8	11.1	50.1	62.9	95.4	82.7	85.9
Guyana	2.5	3.5	3.7	4.8	4.8	.1	6.2	4.1	7.0	8.1
Paraguay	.7	2.9	1.4	3.2	1.0	3.4	6.8	10.9	10.1	9.4
Peru	17.6	24.4	33.9	37.2	42.3	28.5	78.3	75.3	77.1	82.2
Uruguay.	5.6	7.7	1.9	2.2	2.5	13.5	15.8	26.9	22.9	8.1
Venezuela.	80.1	79.6	75.9	82.0	90.9	35.7	19.5	17.7	22.7	22.6
Falkland Is. (Br.)	0	0	4/	0	0	0	0	0	4/	0
French Guiana. . .	.1	.1	.1	.2	.2	.4	.1	.1	4/	4/
Surinam (Neth.). .	1.4	2.5	3.1	3.6	3.7	1.1	1.0	.5	.7	1.0
South America. .	214.0	295.7	268.9	333.1	331.0	1,181.7	1,003.9	952.0	1,000.7	968.0
Total Latin America	513.5	503.0	509.8	575.0	581.8	2,054.0	1,697.4	1,671.4	1,811.3	1,783.3
Total W. Hemisphere	854.8	1,032.3	1,129.5	1,200.7	1,132.6	2,257.5	1,877.4	1,905.6	2,051.5	1,984.4
Total World. . . .	3,934.6	5,363.5	6,228.6	6,881.2	6,386.4	3,963.8	3,896.8	4,087.5	4,491.4	4,454.6
Hemisphere as percentage of world total.	22	19	18	17	18	57	48	47	46	45

1/ Preliminary. 2/ Includes export transshipments, mostly grains and oilseeds, to Western Europe which began on a large scale in 1959 following completion of the St. Lawrence Seaway Project, estimated as follows in million dollars: 1960-64, $106.6; 1965, $176.3; 1966, $140.0; and 1967, $71.0. 3/ U.S. trade embargo went into effect in February 1962. Subsequent exports were relief and ranson shipments, imports were tobacco released from bonded warehouses. 4/ Less than $50,000.

Table 8.--Total agricultural exports and imports of selected Western Hemisphere countries, annual value, 1963-65

Country	Exports 1/			Imports 1/		
	1963	1964	1965	1963	1964	1965
	Million dollars					
Canada	1,368.6	1,693.2	1,596.7	944.7	978.4	947.4
Mexico	580.2	637.4	683.3	132.6	116.7	116.4
Barbados	31.0	27.9	27.7	18.3	19.6	21.4
Dominican Republic	158.5	164.6	107.0	29.8	45.3	n.a.
Haiti	25.5	26.5	24.5	7.6	6.8	8.9
Jamaica	98.7	95.7	85.6	54.6	67.6	65.8
Trinidad & Tobago	43.1	41.2	36.8	51.6	55.4	58.1
Caribbean 2/	356.8	355.9	281.6	161.9	194.7	154.2
Costa Rica	88.0	98.1	93.9	12.9	15.0	17.2
El Salvador	130.8	147.7	155.1	26.7	28.8	32.3
Guatemala	134.7	140.4	157.4	22.1	22.4	27.2
Honduras	65.2	72.7	91.4	11.4	12.5	13.3
Nicaragua	90.2	107.0	126.8	10.2	14.3	17.1
Panama	23.5	34.0	43.8	18.6	21.6	20.9
Central America 2/	532.4	599.9	668.4	101.9	114.6	128.0
Argentina	1,254.3	1,285.6	1,397.6	59.8	97.3	112.7
Bolivia	3.5	3.0	4.6	27.6	26.9	26.4
Brazil	1,222.3	1,184.6	1,243.9	279.7	315.2	222.5
Chile	45.2	58.3	35.9	171.8	168.7	146.0
Colombia	343.7	429.7	401.2	44.5	65.7	56.6
Ecuador	140.2	140.0	139.8	14.6	21.1	17.4
Guyana	51.3	46.1	50.5	14.0	13.5	14.4
Paraguay	28.8	34.2	36.4	6.2	5.5	5.2
Peru	343.2	372.9	361.8	88.3	96.9	121.4
Uruguay	127.6	135.1	142.8	24.4	29.1	20.4
Venezuela	39.4	32.0	30.3	174.4	176.1	179.6
South America 2/	3,599.5	2,721.5	3,844.8	905.3	1,016.0	922.6
Latin America 2/	5,068.9	4,314.7	5,478.1	1,301.7	1,442.0	1,321.2
Hemisphere 2/	6,437.5	6,007.9	7,074.8	2,246.4	2,420.4	2,268.6

1/ Standard international trade classification: Categories for food, beverages, and agricultural raw materials, including fish, natural rubber, and waxes of forestry origin. 2/ For countries shown.

Sources: FAO Trade Yearbook and U.N. Yearbook of International Trade Statistics.

Table 9.--International Coffee Agreement export quotas and U.S. sugar import quotas for Western Hemisphere countries, selected years 1/

Country	Coffee agreement export quotas			U.S. sugar import quotas 2/		
	1965/66	1966/67	1967/68 3/	1966 4/	1967 4/	1968 5/
	1,000 bags 6/			1,000 tons		
Mexico	1,423	1,361	1,444	444	378	402
Cuba	189	180	196	--	--	--
Dominican Republic	419	397	458	547	370	393
Haiti	411	386	443	24	21	22
Jamaica	--	25	12	7/	7/	7/
Trinidad & Tobago	66	65	71	7/	7/	7/
Caribbean	1,085	1,053	1,180	571	391	415
Costa Rica	896	857	933	65	45	46
El Salvador	1,461	1,418	1,613	40	28	29
Guatemala	1,336	1,263	1,455	55	38	39
Honduras	269	379	413	7/	7/	5
Nicaragua	429	420	471	17	45	46
Panama	25	24	24	12	27	29
Central America	4,416	4,361	4,909	189	183	194
Argentina	--	--	--	53	46	48
Bolivia	25	24	49	4	4	5
Brazil	16,976	16,538	17,672	433	370	393
Chile	--	--	--	--	--	--
Colombia	5,669	5,421	6,210	46	39	42
Ecuador	546	521	554	63	54	57
Guyana	--	--	--	7/	7/	7/
Paraguay	--	--	--	--	--	--
Peru	555	547	617	346	295	313
Uruguay	--	--	--	--	--	--
Venezuela	448	428	466	22	19	20
South America	24,219	23,479	25,568	967	827	878
British Honduras	--	--	--	12	10	11
Other British dependencies	--	--	--	160	139	143
French dependencies	--	--	--	50	44	45
Western Hemisphere dependencies	--	--	--	222	193	199
Total Western Hemisphere	31,143	30,254	33,101	2,393	1,972	2,088
Total world	44,904	44,208	49,325	3,932	3,417	3,556
Hemisphere as percentage of world total	69	68	67	61	58	59

1/ Coffee agreement years are beginning October 1; U.S. sugar quotas are for calendar years. 2/ Quotas also includes the Philippines. 3/ Quota as of December 1967. 4/ Total quotas and prorations. 5/ Quotas and prorations as of December 14, 1967. 6/ Bags of kilograms of 132.276 pounds. 7/ These countries share in quotas listed for other British dependencies.

Source: Foreign Agricultural Service, USDA.

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